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# ANALYSIS OF OPEN COMMITMENTS IN WHEAT AND CORN FUTURES ON THE CHICAGO BOARD OF TRADE, SEPTEMBER 29, 1934

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## INTRODUCTION

Since July 9, 1923, the Grain Futures Administration has prepared daily computations of the open contracts in grain futures on the Chicago Board of Trade, and since July 3, 1928, these figures have been released as of each business day to the grain trade, the newspapers, and other interested parties.

These daily releases have shown simply that contracts for the future delivery of some millions of bushels of grain were open on the books of the clearing members as of the close of each business day. The figures, of course, gave no indication of the number of firms and individuals who were parties to the contracts, or as to what part of the open commitments represented hedging and what part speculation.

Data previously collected by the Grain Futures Administration had disclosed that there was considerable participation in the market by nonprofessional speculators, and it was known that such traders were usually buyers and would, therefore, be predominantly on the "long" side of the market, while those using the market for hedging purposes were believed to be usually on the selling, or "short", side in the protection of their cash-grain holdings.

In an effort to obtain more definite information concerning the users of the grain futures markets, the Grain Futures Administration has made two studies, the first as of June 30, 1931,<sup>1</sup> and the second as of September 29, 1934. Both of these investigations were in the form of cross-section analyses or surveys of the commitments open as of the close of these two business days. Both surveys were confined to futures contracts in wheat and corn, as these two grains account for approximately 90 percent of the total trading in grain futures; and

<sup>1</sup> The procedure used by Arthur W. Mayo, principal accountant, Grain Futures Administration, in his compilation of the June 30, 1931, figures has been followed to a considerable extent in the current study, and the use of the method thus developed has greatly facilitated the accumulation and arranging of the data in this report.

the figures and comments contained herein apply only to the Chicago Board of Trade, which market handles about 85 percent of the futures trading in grain in the United States.

In both surveys information was obtained as to the class, i. e., whether hedging or speculative, the geographical location, and the market position (including quantities held long or short) of the various individuals, firms, and corporations holding open contracts on the dates mentioned. In the September 29, 1934, survey the occupations of the individual speculators were ascertained in the majority of cases.

The first source of information in both investigations was the reports made to the Grain Futures Administration by the clearing firms on the Chicago Board of Trade. These reports disclosed which firms were carrying accounts with open contracts, and the books of these firms were then examined, and the total figures reported by them broken down to show the individual accounts involved.

Information was obtained on each account as to name, address, market position, and class. All accounts which appeared to be those of commission houses were then followed up in order to ascertain the identity of the actual owners of the contracts. This follow-up sometimes necessitated tracing contracts through three or four commission houses before the actual traders were reached.

In the course of the September 29, 1934, survey the records of 111 clearing firms and 507 nonclearing commission firms were examined, and information from 3 domestic firms and 11 foreign firms was obtained by correspondence.

In general, the findings and conclusions reached from the two surveys were substantially the same. The tabulations and charts included herein are taken from the study of September 29, 1934.

#### NUMBER OF ACCOUNTS AND VOLUME OF OPEN COMMITMENTS

As of September 29, 1934, the clearing members of the Chicago Board of Trade reported aggregate open futures contracts representing 146,675,000 bushels of wheat and 84,010,000 bushels of corn.

The actual total of open commitments is always somewhat in excess of that reported by clearing members because of the fact that these reports show the net market position only of the commission-house correspondents of the clearing members, while the correspondent commission houses, in turn, often have both long and short accounts for their customers. For example, table 1 shows open short commitments in wheat of 157,295,000 bushels, as compared with 146,675,000 bushels reported by the clearing members, a difference of 10,620,000 bushels, or 7.2 percent, while with respect to corn the figures are 89,515,000 bushels, as compared with 84,010,000 bushels, a difference of 5,505,000 bushels, or 6.6 percent.

These futures contracts in wheat and corn were distributed among and held by 18,364 individuals, firms, and corporations who were using the market for various hedging and speculative purposes. In table 1 the traders are grouped according to market position and the aggregate holdings of each group are shown. It will be observed that this table shows 13,194 accounts in wheat and 8,089 in corn, a total of 21,283 accounts. The excess of 2,919 over the 18,364 just mentioned as the total number of traders consists of individuals, firms, and corporations having commitments in both grains and therefore duplicated in the tabulation.



TABLE 1.—*Analysis by market position of accounts having open commitments in wheat and corn futures, Chicago Board of Trade, Sept. 29, 1934*

Position	Wheat				Corn			
	Ac- counts	Percent- age of total	Quantities held		Ac- counts	Percent- age of total	Quantities held	
			Long	Short			Long	Short
	<i>Number</i>		<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>Number</i>		<i>1,000 bushels</i>	<i>1,000 bushels</i>
Long only.....	11,011	83.45	128,086	99,276	5,499	67.98	76,873	57,653
Short only.....	958	7.26	29,231	58,019	1,715	21.20	12,778	31,862
Both long and short.....	1,225	9.29			875	10.82		
Total.....	13,194	100.00	157,317	157,295	8,089	100.00	89,651	89,515

The fact that 83.43 percent of the accounts in wheat were long only while 7.26 percent were short only, gives an indication of what will be brought out in other tabulations showing that the long interest was scattered among many small accounts while the short contracts were, to a considerable extent, those of large hedgers.

The small discrepancies between the long and short totals of each grain are due to minor errors in accumulating and tabulating the data and are unimportant in this study.

Table 2 shows the relationship on September 29, 1934, between the volume of open commitments as reported by clearing members and the number of accounts.

TABLE 2.—*Relationship between volume of open commitments and number of accounts in wheat and corn futures, respectively, Chicago Board of Trade, Sept. 29, 1934*

Item	Wheat	Corn
Open commitments as reported by clearing members.....bushels.....	146,675,000	84,010,000
Accounts.....number.....	13,194	8,089
Accounts per each million bushels of open commitments.....do.....	89.95	96.29

It will be seen that on an average each million bushels of open commitments in wheat futures represented 90 accounts, and each million bushels in corn represented 96 accounts. While these averages will doubtless vary at different seasons and under different market conditions, it may be possible to use them in connection with the open commitments reported by clearing members to obtain a rough approximation of the total number of traders in the market.

#### DISTRIBUTION OF ACCOUNTS AND OPEN COMMITMENTS BETWEEN SPECULATORS AND HEDGERS

The distribution of the open contracts between the two basic trading classifications, i. e., speculative and hedging, as of September 29, 1934, showed the speculators predominantly on the long side of the market and the hedgers predominantly on the short side to the extent that 75.40 percent of the long contracts in wheat were held by speculators, while 81.51 percent of the short interest represented hedging. The situation in corn was substantially the same as that in wheat, with 73.86 percent of the long contracts speculative and 79.25 percent of the short contracts hedging.

In wheat 509 foreign accounts, including Canadian, were not classified as speculative or hedging because of lack of complete information. These accounts had an aggregate net long position of 18,178,000 bushels, while in corn 218 foreign accounts similarly unclassified were net long a total of 8,107,000 bushels. Both the number of foreign accounts and the volume of open contracts held by such accounts are incomplete because full information could not be obtained from several foreign commission houses.

Table 3 shows the number of accounts and the aggregate holdings of the traders in each classification. Under hedging by elevators is included all accounts representing hedges by those storing or merchandising grain, while the accounts of flour mills, feed mills, distillers, etc., are classified as hedging by processors.

TABLE 3.—*Analysis by class of accounts having open commitments in wheat and corn futures, Chicago Board of Trade, Sept. 29, 1934*

Class	Wheat			Corn		
	Number	Quantities held		Number	Quantities held	
		Long	Short		Long	Short
	<i>Accounts</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>Accounts</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>
Speculative.....	11, 638	118, 631	27, 666	7, 176	66, 214	17, 797
Hedging:						
By elevators.....	738	11, 577	76, 949	572	4, 664	63, 730
By processors.....	309	7, 529	51, 278	122	4, 887	7, 209
Total.....	1, 047	19, 106	128, 227	694	9, 551	70, 939
Foreign (unclassified).....	509	19, 580	1, 402	218	8, 886	779
Special classification.....				1	5, 000	
Total.....	13, 194	157, 317	157, 295	8, 089	89, 651	89, 515

It will be observed that in both wheat and corn slightly more than 88 percent of the accounts were speculative.

In connection with the classification of the accounts as speculative or hedging it should be noted that the statements of the commission houses handling the accounts were accepted as the basis for the classification. In the main these statements are believed to be correct, and while some accounts may have been reported and classified as hedging which, at times, were of speculative character it is not considered likely that any such instances would materially affect the accuracy of the figures.

In figure 1 there is presented a graphic analysis of the accounts and open commitments on September 29, 1934.

#### SIZE OF ACCOUNTS

The average net size of the 10,183 speculative accounts in wheat which were long only or long and short with a net long position was 9,790 bushels. The 840 speculative wheat accounts on the short side averaged 10,420 bushels. Of the long accounts, 4,846, or 47.59 percent, were in the "job-lot" class, i. e., having less than 5,000 bushels, and only 766, or 7.52 percent, had as much as 25,000 bushels.

The hedging accounts were, as was to be expected, much larger than the speculative. The 730 accounts on the long side in wheat which were classified as hedges averaged 22,530 bushels, while the 299 on the short side were about 18 times as large, averaging 419,970 bushels each.

The largest speculative account in wheat was 3,000,000 bushels long, and the largest hedging account was 10,630,000 bushels short.

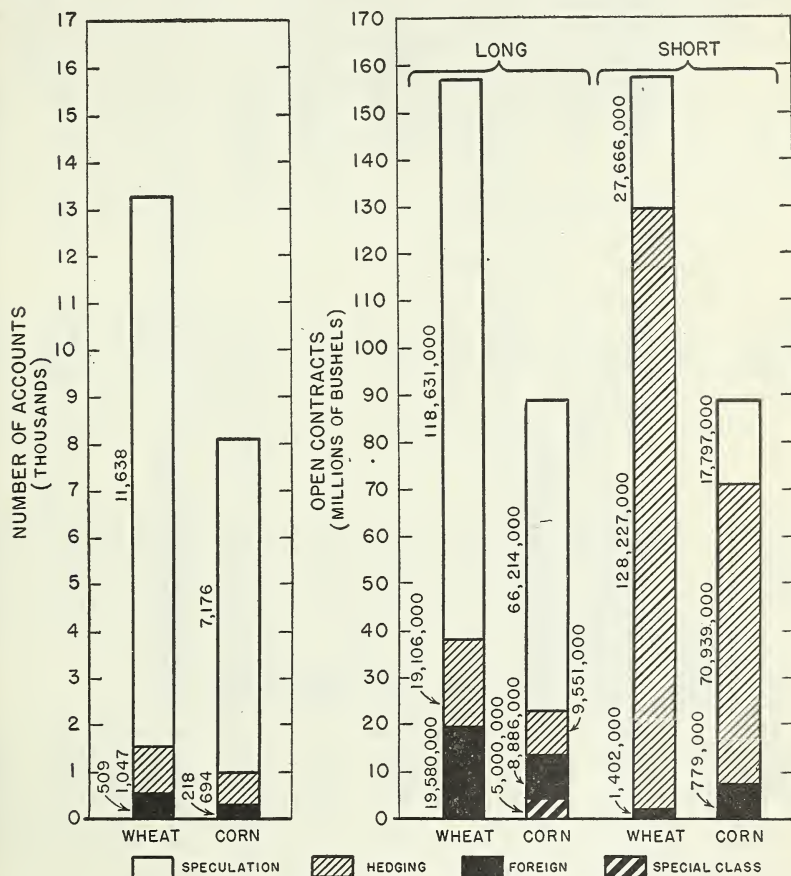


FIGURE 1.—Analysis of number of accounts and volume of open contracts in all futures combined on the Chicago Board of Trade, wheat and corn, September 29, 1934.

The situation in corn futures with respect to size of accounts was substantially the same as that of wheat. Of the long speculative accounts, 2,416, or 46.8 percent, were net long less than 5,000 bushels, and only 398, or 7.71 percent, held as much as 25,000 bushels. There were only 1,527 short speculative accounts in corn and these were of an average net size of 6,820 bushels.

The 330 corn hedgers on the long side had average net holdings of 23,800 bushels, and the 345 short hedgers averaged net 200,700 bushels.

Table 4 presents a detailed analysis by size groups of the speculative and hedging accounts in both wheat and corn and shows the percentage that each size group bears to the total of the class.



TABLE 4.—*Analysis by size of accounts having open commitments in wheat and corn futures, Chicago Board of Trade, Sept. 29, 1934*

## SPECULATIVE WHEAT ACCOUNTS

Size group (thousand bushels)	Accounts			Quantities held by each group				Percentage each group is of the total			
	Net long	Net short	Total	Net		Gross		Number of accounts		Net quantities	
				Long	Short	Long	Short	Long	Short	Long	Short
	Number	Number	Number	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Percent	Percent	Percent	Percent
1 to 4.....	4,846	441	5,287	8,652	725	10,595	2,668	47.59	52.50	8.68	8.28
5 to 24.....	4,571	324	4,895	38,630	2,414	47,526	11,310	44.89	38.57	38.74	27.58
25 to 49.....	423	38	461	13,159	1,246	13,935	2,022	4.15	4.52	13.20	14.24
50 to 99.....	213	22	235	12,919	1,520	13,765	2,366	2.09	2.62	12.95	17.37
100 and over.....	130	15	145	26,357	2,847	27,134	3,624	1.28	1.79	26.43	32.53
Even.....			615			5,676	5,676				
Total.....	10,183	840	11,638	99,717	8,752	118,631	27,666	100	100	100	100

## HEDGING WHEAT ACCOUNTS

1 to 4.....	257	31	288	543	62	597	116	35.21	10.37	3.30	.05
5 to 49.....	407	118	525	5,341	2,045	6,342	3,046	55.75	39.47	32.47	1.63
50 to 99.....	28	34	62	1,800	2,319	2,251	2,770	3.84	11.37	10.94	1.85
100 to 499.....	34	70	104	5,955	16,589	6,471	17,105	4.65	23.41	36.20	13.21
500 and over.....	4	46	50	2,810	104,555	3,341	105,086	.55	15.38	17.09	83.26
Even.....			18			104	104				
Total.....	730	299	1,047	16,449	125,570	19,106	128,227	100	100	100	100

## SPECULATIVE CORN ACCOUNTS

1 to 4.....	2,416	894	3,310	4,119	1,484	5,992	3,357	46.81	58.55	7.00	14.24
5 to 24.....	2,347	564	2,911	19,388	4,481	20,590	5,683	45.48	36.94	32.96	43.02
25 to 49.....	200	41	241	6,143	1,333	6,302	1,492	3.87	2.68	10.44	12.80
50 to 99.....	102	19	121	5,955	1,230	6,248	1,523	1.98	1.24	10.12	11.81
100 and over.....	96	9	105	23,229	1,889	23,579	2,239	1.86	.59	39.48	18.13
Even.....			488			3,503	3,503				
Total.....	5,161	1,527	7,176	58,834	10,417	66,214	17,797	100	100	100	100

## HEDGING CORN ACCOUNTS

1 to 4.....	137	90	227	312	186	401	275	41.51	26.09	3.97	.27
5 to 49.....	169	157	326	2,017	2,249	2,667	2,899	51.21	45.51	25.68	3.25
50 to 99.....	13	31	44	859	2,148	1,084	2,373	3.94	8.98	10.94	3.10
100 to 499.....	9	43	52	1,886	10,985	1,996	11,095	2.73	12.46	24.01	15.86
500 and over.....	2	24	26	2,780	53,674	3,100	53,994	.61	6.96	35.40	77.52
Even.....			19			303	303				
Total.....	330	345	694	7,854	69,242	9,551	70,939	100	100	100	100

The first line of table 4 shows that 4,846 speculative accounts of a size of less than 5,000 bushels had as a group a net long position in wheat of 8,652,000 bushels, while 441 accounts in the same size group had as a group a net short position of 725,000 bushels, and the gross holdings of the accounts in this size group were 10,595,000 bushels long and 2,668,000 bushels short, the excess of the gross figure over the net being due to accounts both long and short in the same grain. It shows also that the long speculative accounts of less than 5,000 bushels net constituted 47.59 percent of the total of accounts in this class, but held only 8.68 percent of the net long open contracts of the class, while the short accounts in the same size group constituted 52.50 percent of the total short speculative accounts in wheat and held 8.28 percent of the net short contracts.



As an example of the difference between the net and the gross columns of table 4, an account which was long 10,000 bushels of May wheat and short 5,000 bushels of December wheat would appear in the net columns as long 5,000 bushels, while in the gross columns it would be included on both sides, 10,000 bushels on the long side and 5,000 bushels on the short. It will be observed that the total of the net long column of the wheat speculative section of the table is 18,914 bushels less than the gross long column, and that there is exactly the same difference between the net short and gross short columns. This quantity represents accounts spreading between two different wheat futures, or between round lots and job lots in wheat.

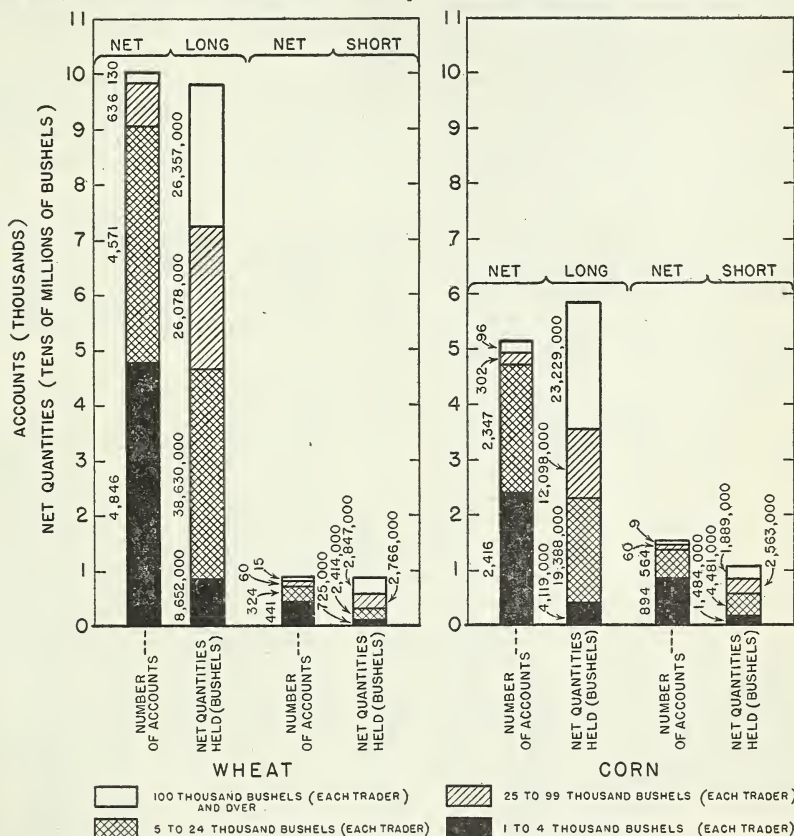


FIGURE 2.—Speculative accounts grouped according to size, wheat and corn futures, Chicago Board of Trade, September 29, 1934.

The chart presented as figure 2 illustrates the number of speculative accounts and their holdings by size groups in both wheat and corn. The relative importance of the larger accounts is brought out by this chart, it being shown that nearly half of the long speculative accounts in wheat hold less than 5,000 bushels each though the accounts in this group control less than one-tenth of the net long commitments, while the accounts of 25,000 bushels and more comprise less than one-tenth of the total number of accounts but control more than one-half of the net long commitments. The chart also indicates the relatively small short speculative interest in both wheat and corn.

## GEOGRAPHICAL DISTRIBUTION OF TRADERS

On September 29, 1934, every State in the United States was represented among the holders of futures contracts in wheat or corn on the Chicago Board of Trade. There were also a large number of traders in Canada, Europe, and the Orient.

It has not been practicable to secure complete information as to the character of all of the foreign accounts. A separate study has been made of such data as have been obtainable, and it may be said that while a considerable portion of this business represents hedging, it is apparently predominantly speculative. Some idea of the extent of the European and oriental trading may be gathered from the fact that 344 accounts were reported from China, 102 from France, 79 from England, and 23 from the Netherlands.

Foreign commission houses with total open contracts of considerable size did not furnish information on the ground that the laws of their countries prohibited them from so doing. The number of traders reported in certain countries would doubtless be greatly increased if such information were available.

Tables 5 and 6 set out, for both wheat and corn, the number of speculative and hedging accounts and the holdings of each class by States and by certain principal cities as of September 29, 1934. It will be observed that the accounts are concentrated mainly in the grain-producing States of the Middle West, with some active participation from the eastern financial centers.

TABLE 5.—*Geographical analysis of number of accounts and open commitments in wheat futures, Chicago Board of Trade, Sept. 29, 1934*

Location	Speculators			Hedgers			Total		
	Num- ber	Quantity		Num- ber	Quantity		Num- ber	Quantity	
		Long	Short		Long	Short		Long	Short
		1,000 bushels	1,000 bushels		1,000 bushels	1,000 bushels		1,000 bushels	1,000 bushels
Alabama.....	61	418	7	1	3	25	62	421	32
Arizona.....	13	653					13	653	
Arkansas.....	45	245	38				45	245	38
California.....	425	4,970	615	6	220	1,786	431	5,190	2,401
Colorado.....	144	1,575	56	10	46	58	154	1,621	114
Connecticut.....	22	434	5				22	434	5
Delaware.....	25	346	5	3	14	20	28	360	25
District of Columbia.....	42	475	17	1		10	43	475	27
Florida.....	80	850	72	1	2		81	852	72
Georgia.....	100	1,167	52	2	103	20	102	1,270	72
Idaho.....	37	456	20	5	92		42	548	20
Illinois (except Chicago)....	747	3,675	355	121	840	1,050	868	4,515	1,405
Chicago.....	1,873	37,828	16,416	29	1,578	6,898	1,907	39,406	23,314
Total Illinois.....	2,625	41,503	16,771	150	2,418	7,948	2,775	43,921	24,719
Indiana.....	299	1,620	273	64	1,373	2,255	363	2,993	2,528
Iowa.....	820	3,793	542	42	196	91	862	3,989	633
Kansas.....	630	2,997	1,293	95	970	4,125	725	3,967	5,418
Kentucky.....	44	319	25	16	358	1,385	60	677	1,410
Louisiana.....	75	874	126	2	45	35	77	919	161
Maine.....	9	115	5	1	10		10	125	5
Maryland.....	58	430	47	33	422	578	91	852	625
Massachusetts.....	61	3,782	389	6	77		67	3,859	389
Michigan.....	276	1,633	150	52	1,289	277	328	2,922	427

TABLE 5.—Geographical analysis of number of accounts and open commitments in wheat futures, Chicago Board of Trade, Sept. 29, 1934—Continued

Location	Speculators			Hedgers			Total		
	Num- ber	Quantity		Num- ber	Quantity		Num- ber	Quantity	
		Long	Short		Long	Short		Long	Short
Minnesota (except Duluth and Minneapolis).....	119	1,000 bushels 483	1,000 bushels 122	5	17	59	124	500	181
Duluth.....	22	648	3	7	674	2,230	29	1,322	2,233
Minneapolis.....	312	2,427	467	33	244	35,621	345	2,671	36,088
Total Minnesota.....	453	3,558	592	45	935	37,910	498	4,493	38,502
Mississippi.....	59	401	22	1	5	-----	60	406	22
Missouri (except Kansas City).....	171	1,398	303	47	530	7,857	218	1,928	8,160
Kansas City.....	144	1,589	408	30	410	20,891	174	1,999	21,299
Total Missouri.....	315	2,987	711	77	940	28,748	392	3,927	29,459
Montana.....	34	528	73	2	20	1,000	36	548	1,073
Nebraska.....	851	4,166	571	100	1,990	4,534	951	6,156	5,105
Nevada.....	1	1	-----	-----	-----	-----	1	1	-----
New Hampshire.....	1	5	-----	-----	-----	-----	1	5	-----
New Jersey.....	66	1,649	49	6	235	10	72	1,884	59
New Mexico.....	9	78	-----	-----	-----	-----	9	78	-----
New York (except New York City).....	203	1,870	232	42	1,127	2,161	245	2,997	2,393
New York City.....	682	10,665	2,258	15	745	2,491	697	11,410	4,749
Total New York.....	885	12,535	2,490	57	1,872	4,652	942	14,407	7,142
North Carolina.....	110	1,292	64	4	75	-----	114	1,367	64
North Dakota.....	140	894	96	1	-----	5	141	894	101
Ohio.....	462	2,533	597	80	850	13,589	542	3,383	14,186
Oklahoma.....	430	4,244	310	28	497	5,267	458	4,741	5,577
Oregon.....	102	467	64	8	247	4,934	110	714	4,998
Pennsylvania.....	169	1,868	219	34	287	268	203	2,155	487
Rhode Island.....	4	172	-----	1	5	-----	5	177	-----
South Carolina.....	45	362	35	1	10	-----	46	372	35
South Dakota.....	233	1,193	278	3	8	-----	236	1,201	278
Tennessee.....	125	1,075	82	9	100	755	134	1,175	837
Texas.....	526	4,740	184	28	551	6,975	554	5,291	7,159
Utah.....	56	384	4	3	13	-----	59	397	4
Vermont.....	2	5	5	1	25	-----	3	30	5
Virginia.....	81	535	42	11	225	-----	92	760	42
Washington.....	195	1,191	221	9	252	830	204	1,443	1,051
West Virginia.....	15	53	2	1	13	-----	16	66	2
Wisconsin.....	193	1,405	105	13	991	31	206	2,396	136
Wyoming.....	18	98	-----	3	67	-----	21	165	-----
Total United States.....	11,471	117,074	27,324	1,016	17,851	128,121	12,487	134,925	155,445
Canada.....	-----	-----	-----	-----	-----	-----	191	2,879	495
Other foreign.....	-----	-----	-----	-----	-----	-----	516	19,513	1,355
Grand total.....	11,471	117,074	27,324	1,016	17,851	128,121	13,194	157,317	157,295



TABLE 6.—*Geographical analysis of number of accounts and open commitments in corn futures, Chicago Board of Trade, Sept. 29, 1934*

Location	Speculators			Hedgers			Total		
	Number	Quantity		Number	Quantity		Number	Quantity	
		Long	Short		Long	Short		Long	Short
		<i>1,000 bushels</i>	<i>1,000 bushels</i>		<i>1,000 bushels</i>	<i>1,000 bushels</i>		<i>1,000 bushels</i>	<i>1,000 bushels</i>
Alabama.....	36	181	53	1	16		37	181	69
Arizona.....	4	25	10				4	25	10
Arkansas.....	59	349	32				59	349	32
California.....	284	3,057	1,389	3	12	125	287	3,069	1,514
Colorado.....	101	581	95	5	31		106	612	95
Connecticut.....	15	876	2				15	876	2
Delaware.....	6	40					6	40	
District of Columbia.....	43	425	10				43	425	10
Florida.....	62	476	65				62	476	65
Georgia.....	60	430	90	1	99	87	61	529	177
Idaho.....	4	36		1	2		5	36	2
Illinois (except Chicago).....	735	3,032	906	140	473	1,782	875	3,505	2,688
Chicago.....	1,051	21,243	7,479	32	1,325	28,083	1,083	22,568	35,562
Total Illinois.....	1,786	24,275	8,385	172	1,798	29,865	1,958	26,073	38,250
Indiana.....	152	872	356	25	28	463	177	900	819
Iowa.....	969	3,691	1,091	90	502	2,770	1,059	4,193	3,861
Kansas.....	248	924	417	29	147	253	277	1,071	670
Kentucky.....	18	127	26	7	59	12	25	186	38
Louisiana.....	37	242	49	2	15	75	39	257	124
Maine.....	5	481					5	481	
Maryland.....	15	69	8	6	17	76	21	86	84
Massachusetts.....	30	1,738	46	2	30		32	1,768	46
Michigan.....	81	247	185	10	2,169	147	91	2,416	332
Minnesota (except Duluth and Minneapolis).....	74	129	77	17	25	41	91	154	118
Duluth.....	12	117	11	4	57	495	16	174	506
Minneapolis.....	129	677	508	36	105	14,977	165	782	15,485
Total Minnesota.....	215	923	596	57	187	15,513	272	1,110	16,109
Mississippi.....	48	241	36	1	5		49	246	36
Missouri (except Kansas City).....	209	966	218	36	306	512	245	1,272	730
Kansas City.....	112	897	258	19	71	2,911	131	968	3,169
Total Missouri.....	321	1,863	476	55	377	3,423	376	2,240	3,899
Montana.....	9	29	21				9	29	21
Nebraska.....	645	2,912	609	71	692	7,437	716	3,604	8,046
Nevada.....	1	2					1	2	
New Hampshire.....	2	7					2	7	
New Jersey.....	31	884	119				31	884	119
New Mexico.....	3	50		1	20		4	70	
New York (except New York City).....	86	509	135	20	158	6,204	106	667	6,389
New York City.....	464	8,552	1,361	9	1,295	400	473	9,847	1,761
Total New York.....	550	9,061	1,546	29	1,453	6,604	579	10,514	8,150
North Carolina.....	37	311	83	1		15	38	311	98
North Dakota.....	52	211	38	14	38	18	66	249	56
Ohio.....	232	897	643	20	176	411	252	1,073	1,054
Oklahoma.....	118	1,014	85	5	53	72	123	1,069	157
Oregon.....	35	112	80	1		602	36	112	682
Pennsylvania.....	97	620	226	17	118	216	114	738	442
Rhode Island.....	2	230					2	230	
South Carolina.....	18	84	21				18	84	21
South Dakota.....	102	290	140	8	15	9	110	305	149
Tennessee.....	80	435	157	8	10	70	88	445	227
Texas.....	233	1,581	275	16	91	236	249	1,672	511
Utah.....	6	21	6	1	1		7	22	6



TABLE 6.—*Geographical analysis of number of accounts and open commitments in corn futures, Chicago Board of Trade, Sept. 29, 1934—Continued*

Location	Speculators			Hedgers			Total		
	Num- ber	Quantity		Num- ber	Quantity		Num- ber	Quantity	
		Long	Short		Long	Short		Long	Short
		<i>1,000 bushels</i>	<i>1,000 bushels</i>		<i>1,000 bushels</i>	<i>1,000 bushels</i>		<i>1,000 bushels</i>	<i>1,000 bushels</i>
Vermont.....	2		20				2		20
Virginia.....	33	225	35	4	110		37	335	35
Washington.....	45	134	46	1	1	6	46	135	52
West Virginia.....	1		1	1	1		2	1	1
Wisconsin.....	114	381	101	10	357	1,381	124	738	1,482
Wyoming.....	7	58		1	10		8	68	
Total, United States.....	7,054	61,718	17,669	676	8,624	69,904	7,730	70,342	87,573
Canada.....							135	5,585	1,092
Other foreign.....							223	8,724	850
Special classification.....							1	5,000	
Grand total.....	7,054	61,718	17,669	676	8,624	69,904	8,089	89,651	89,515

More than 85 percent of the accounts in the United States were located in 18 States, as shown in table 7.

TABLE 7.—*Location of accounts*

Location	Accounts		Location	Accounts	
	Wheat	Corn		Wheat	Corn
	<i>Number</i>	<i>Number</i>		<i>Number</i>	<i>Number</i>
California.....	431	287	Pennsylvania.....	203	114
Colorado.....	154	106	South Dakota.....	236	110
Illinois.....	2,775	1,958	Texas.....	554	249
Indiana.....	363	177	Washington.....	204	46
Iowa.....	862	1,059	Wisconsin.....	206	124
Kansas.....	725	277			
Michigan.....	328	91	Total.....	10,824	6,916
Minnesota.....	498	272			
Missouri.....	392	376	Other United States.....	1,663	815
Nebraska.....	951	716	Canadian.....	191	135
New York.....	942	579	Other foreign.....	516	223
Ohio.....	542	252			
Oklahoma.....	458	123	Grand total.....	13,194	8,089

It is interesting to note that many of the speculative accounts in corn originate in the large corn-producing States of Iowa, Illinois, and Nebraska, while the traders of Kansas, Minnesota, Oklahoma, and Texas favor wheat as a speculative medium, evidencing the normal tendency of individuals to trade in the commodity with which they are most familiar.

Map charts, presented as figures 3, 4, 5, and 6, show the geographical distribution by States of the accounts and open commitments in wheat and corn. These charts show the concentration of the traders in the grain-producing areas and also graphically bring out the fact that by far the larger portion of the short accounts in both wheat and corn originate in those States having large grain merchandising and milling centers.



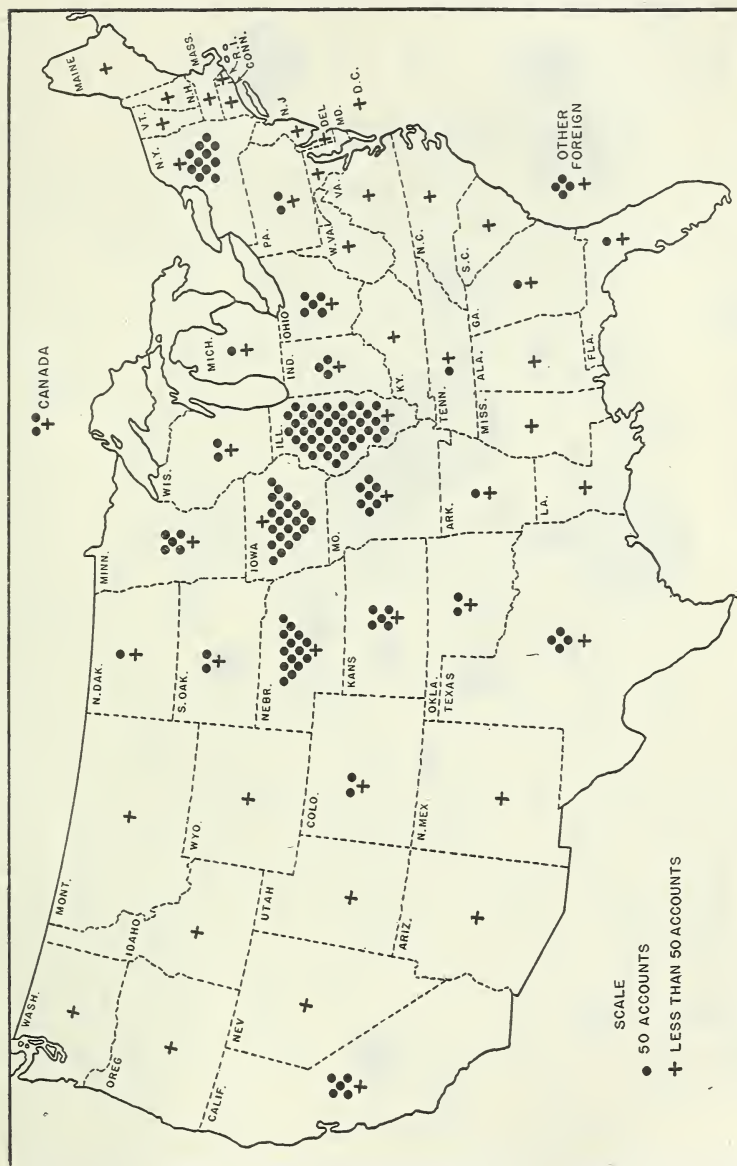
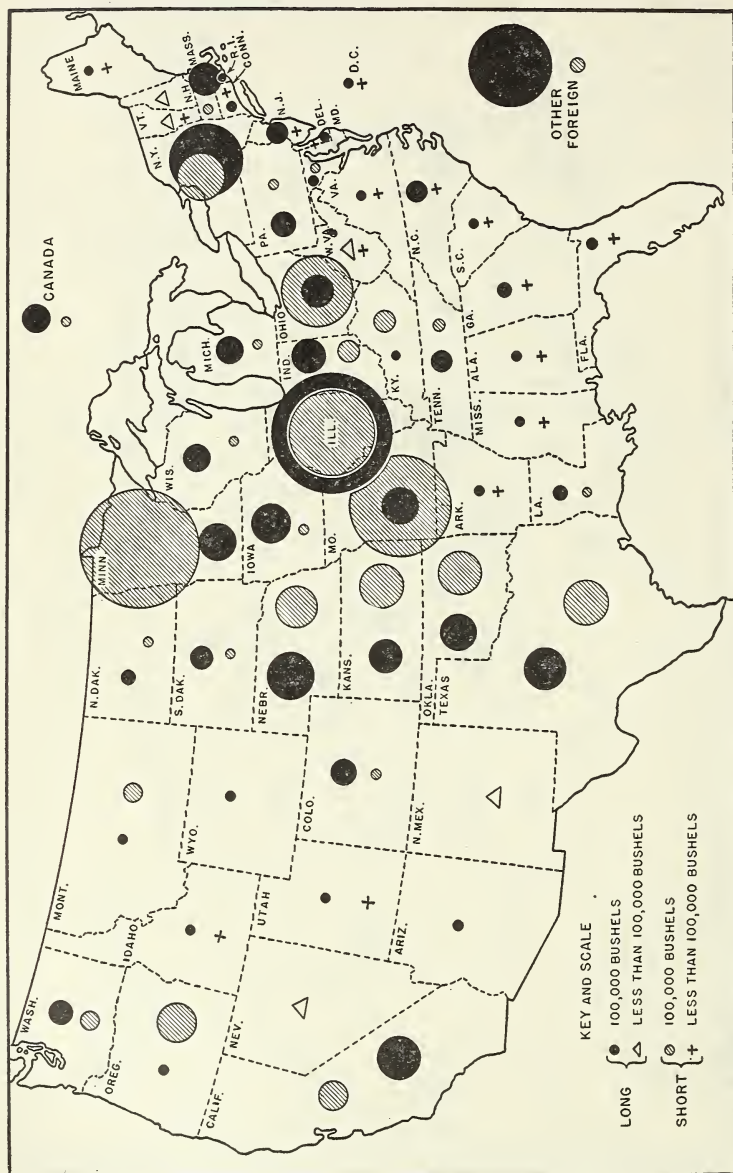


FIGURE 4.—Geographical distribution, by States, of accounts having open commitments in corn futures on the Chicago Board of Trade, as of September 29, 1934.





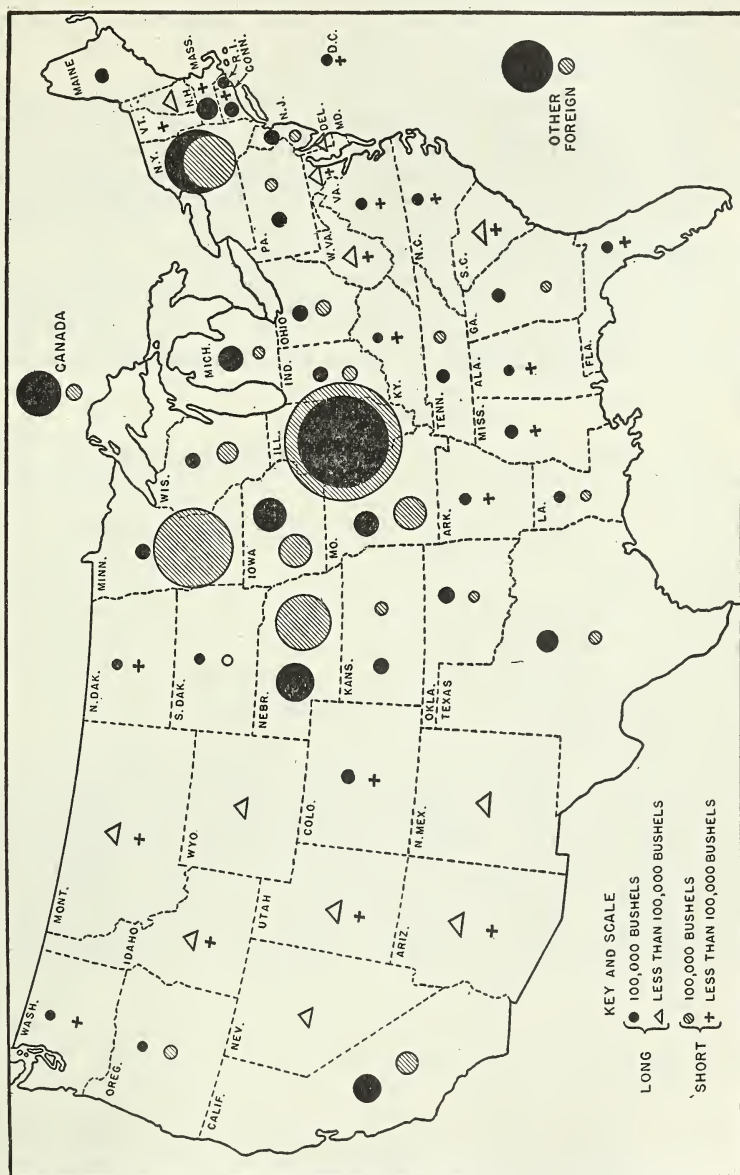


FIGURE 6.—Geographical distribution, by States, of open commitments in corn futures on the Chicago Board of Trade, as of September 29, 1934.

## OCCUPATIONS OF TRADERS

The list of occupations represented by those having open contracts in wheat or corn on the Chicago Board of Trade as of September 29, 1934, runs through the alphabet from abstractors to yeast makers. Approximately 600 occupations and subdivisions of occupations appear. The largest single group is that of farmers, there being 1,492 with accounts in wheat, and 1,047 in corn.

Surprisingly, housewives ranked next to farmers in point of number of accounts of any single occupational group, there being 802 with wheat holdings and 496 with corn. All accounts of executives, financiers, members of the professions, and others apparently of more than average means, have been grouped together for tabulation purposes, a similar grouping being made to include clerks, artisans, small merchants, and others of rather modest means.

There were 3,068 of the executive-professional group with open contracts in wheat and 1,876 in corn, while in the clerk-artisan group 6,237 had wheat holdings and 3,730 had corn. Some of the larger occupational groups included in these two classifications are listed below:

<i>Occupational group</i>	<i>Number</i>
Merchants (including automobile dealers, druggists, grocers, etc.)-----	1, 437
Retired-----	793
Unemployed-----	530
Physicians-----	523
Salesmen-----	492
Attorneys-----	397
Insurance brokers-----	200
Teachers-----	163
Engineers-----	124
Accountants and auditors-----	119
Dentists-----	112
Secretaries and stenographers-----	104
Bankers, unclassified (probably mainly investment bankers)-----	75
Bank officers and employees-----	51
Clergymen-----	25

Among traders with other occupations, representing nearly every common line of human endeavor, are found actors, ambassadors, army officers, authors, aviators, bailiffs, barbers, baseball players, butlers, chefs, clam digger, detectives, dressmakers, entomologist, firemen, guards, ice skater (professional), janitors, judges, lace makers, mariner, naval officers, nurses, pawnbrokers, pugilist, saloonkeeper, State senators, sexton, undertakers, and waitresses.

TABLE 8.—*Analysis by occupational groups of accounts having open commitments in wheat and corn futures, Chicago Board of Trade, Sept. 29, 1934*

Class	Accounts	Quantities			
		Net position		Gross holdings	
		Long	Short	Long	Short
Wheat:	<i>Number</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>
Farmers.....	1,492	5,373	-----	6,068	695
Housewives.....	802	7,348	-----	8,364	1,016
Clerks, small merchants, etc.....	6,237	37,941	-----	44,403	6,462
Executives, financiers, etc.....	3,068	36,818	-----	56,071	19,253
Speculative corporations.....	39	3,485	-----	3,725	240
Total speculative.....	11,638	90,965	-----	118,631	27,666
Elevator hedgers.....	738	-----	65,372	11,577	76,949
Processor hedgers.....	309	-----	43,749	7,529	51,278
Total hedging.....	1,047	-----	109,121	19,106	128,227
Foreign and miscellaneous.....	509	18,178	-----	19,580	1,402
Grand total.....	13,194	22	-----	157,317	157,295
Corn:					
Farmers.....	1,047	2,394	-----	3,326	932
Housewives.....	496	3,472	-----	4,237	765
Clerks, small merchants, etc.....	3,730	16,610	-----	23,145	6,535
Executives, financiers, etc.....	1,876	20,533	-----	29,681	9,142
Speculative corporations.....	27	5,408	-----	5,825	417
Total speculative.....	7,176	48,417	-----	66,214	17,797
Elevator hedgers.....	572	-----	59,066	4,664	63,730
Processor hedgers.....	122	-----	2,322	4,887	7,209
Total hedging.....	694	-----	61,388	9,551	70,939
Foreign and miscellaneous.....	219	13,107	-----	13,886	779
Grand total.....	8,089	136	-----	89,651	89,515

It will be seen from table 8 that the brunt of the hedging burden was fairly evenly divided between the traders of small means and those in the executive-professional class. Those in the latter class had a somewhat larger long position in the market but this was partially offset by their larger short contracts. The average holdings of the farmers, i. e., 3,601 bushels of wheat net long and 2,286 bushels of corn net long, were the smallest of any of the classes, while even those in the executive-professional class had average net long positions of only 12,001 bushels of wheat and 10,945 bushels of corn.

The speculative corporations had the largest average holdings of any group, averaging approximately 90,000 bushels in wheat and 200,000 bushels in corn. There were so few accounts of this type that their aggregate holdings were unimportant, though this method of trading is significant in that some corporations are organized by large professional speculators, sometimes for the apparent purpose of dividing their operations among accounts carried under a variety of names, either to evade the reporting requirements under the Grain Futures Act, or to escape liability in some other respect.

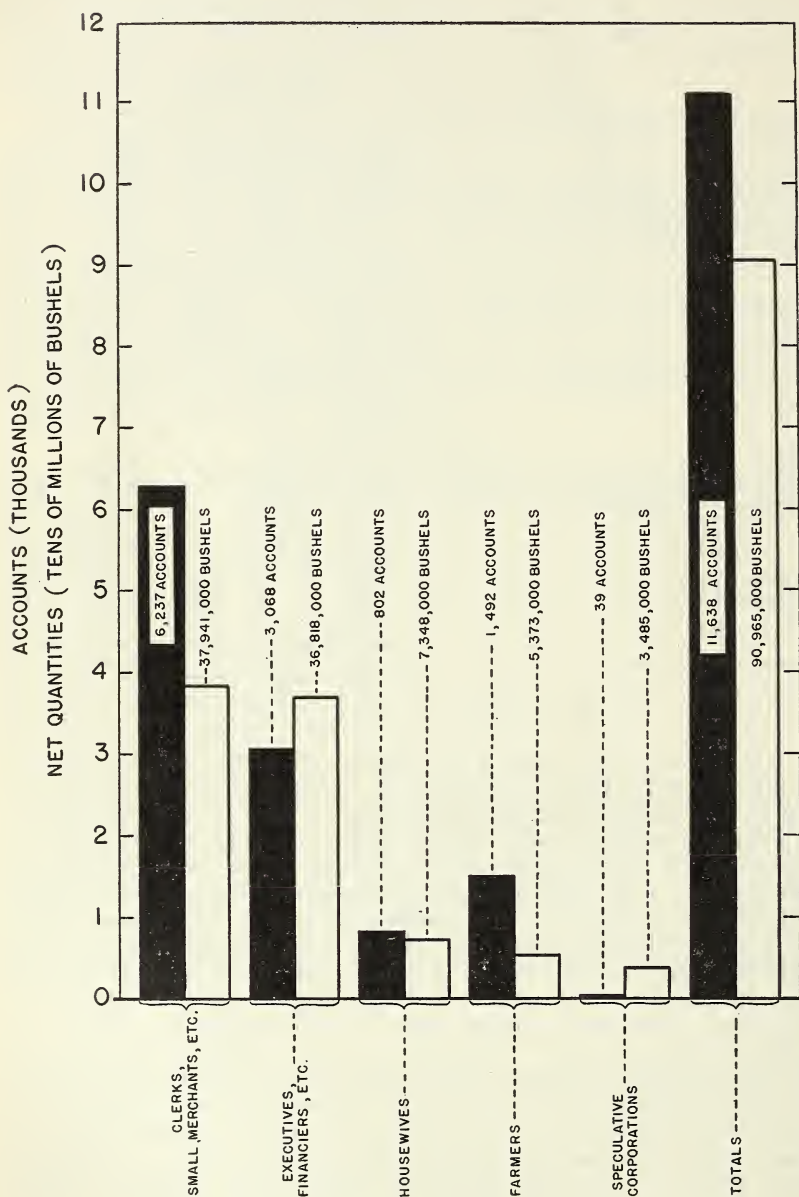


FIGURE 7.—Number of speculative accounts and net long speculative holdings by occupational groups, Chicago wheat futures, September 29, 1934.



Figures 7 and 8 show the relative importance of the principal occupational groups of speculators, both with respect to number of accounts and volume of open contracts held.

#### SUMMARY AND CONCLUSIONS

At the close of business on September 29, 1934, 18,364 individuals, firms, and corporations held futures contracts in wheat or corn or both on the Chicago Board of Trade. There were 10,275 accounts in wheat only, 5,170 in corn only, and 2,919 with contracts in both

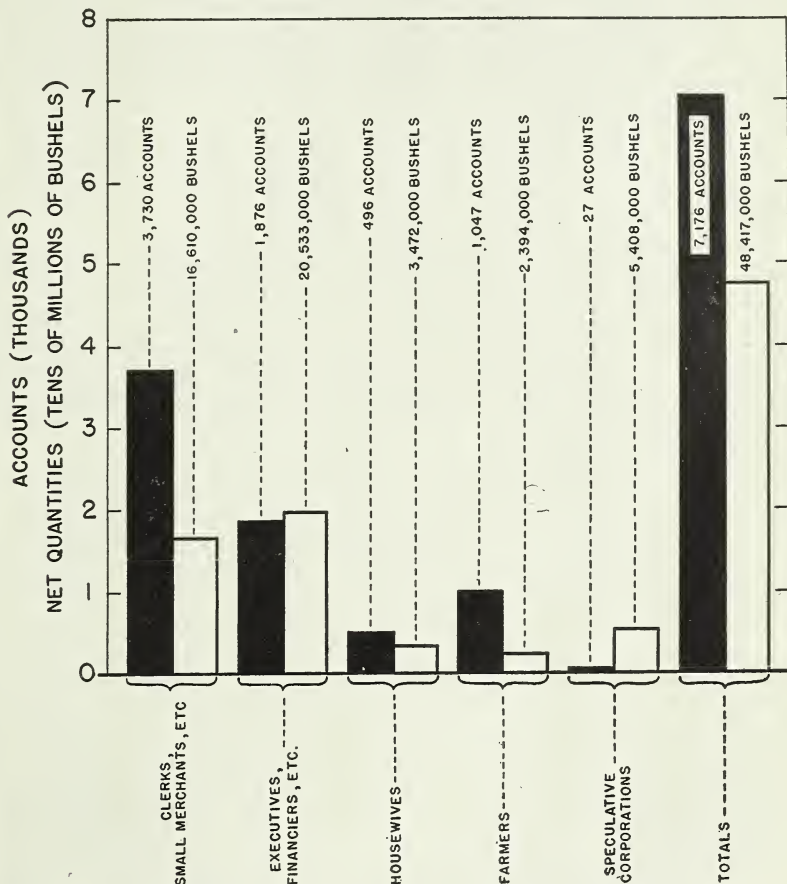


FIGURE 8.—Number of speculative accounts and net long speculative holdings, by occupational groups, Chicago corn futures, September 29, 1934.

grains. The contracts held by these 18,364 traders represented 157,295,000 bushels of wheat and 89,515,000 bushels of corn.

Speculators held 75 percent of the long contracts in wheat, and 74 percent of the long contracts in corn, while hedgers accounted for 82 percent and 79 percent of the short interest in wheat and corn, respectively.

Of the 13,194 wheat accounts 11,638, or 88 percent, were speculative and 10,183 of these were on the long side, while of the 8,089 corn accounts 7,176, or 89 percent, were speculative and 5,161 of these were long.

Approximately 48 percent of the long-speculative wheat accounts were in the job-lot class of less than 5,000 bushels, and 92 percent had less than 25,000 bushels, while 47 percent of the long speculative corn accounts held less than 5,000 bushels and 91 percent held less than 25,000 bushels.

Every State in the United States was represented among those holding futures contracts on September 29, 1934, and there was also considerable participation from Canada, Europe, and the Orient. Nearly 90 percent of the accounts originated in 18 States located mainly in the grain-growing areas of the Middle West.

The largest single occupational group was that of farmers, there being 1,492 in wheat and 1,047 in corn. Housewives were next with 802 in wheat and 496 in corn. About 600 occupations and subdivisions of occupations were represented, including nearly every common line of human endeavor.

The hedging burden was about equally divided between two groups, one consisting of farmers, clerks, small merchants, and others of apparently limited means, and the other made up of professional traders, executives, financiers, and the like.

Information obtained by the Administration as the result of special studies, surveys, and investigations shows conclusively that the small speculators play a most important part in the merchandising of the Nation's grain. They are nearly always on the long side, in contrast to the large professional traders who are as likely to be sellers as purchasers. If not subjected to periodic "shaking-out" processes, these small traders would doubtless be an even more dependable group of hedge carriers.



